

Japan ready to reclaim Blue Mountain coffee market

Rising levels of coffee consumption in Japan mark the end of a post-recession slump in which that nation cut imports of the bean, a move felt sharply by the coffee industry in Jamaica which until then exported more than 80 per cent of produce to the Asian island nation.

But once again, the world's No. 3 economy is back in contention and they want more Blue Mountain coffee. Acting director general of the Coffee Industry Board Steve Robinson said on Monday that Blue Mountain coffee sold to Japan decreased from 283,000 kilogrammes during the 2013-14 crop to 235,000 kg in the year just ended. The coffee crop year ends annually in July. Still, with less exportable coffee on offer due to drought and other factors, the amount of beans bought by the Japanese rose nevertheless from 65 per cent to 70 per cent, year over year. Some 440,000 kg of coffee was exported in 2013-14, compared to 337,000 kg in the crop year just ended. The industry is yet to recover from farms which were abandoned in the post-recession price slump, from the impact of berry borer disease and from the recurrent drought. But a better outcome is hoped for this year. Robinson says he expects total production to round out at 214,000 boxes, or with 60 pounds of coffee or 27 kilogrammes in each box, around 5.778 million kg, when total output for the 2014-15 crop year is tallied. Typically, however, only around eight pounds or 4.3 kg per box are passed for sale to the domestic and export markets. The rest tends to be rejected for poor quality. Blue Mountain coffee production itself improved from 162,000 boxes last year to 192,000 boxes this year. Exporters of the premium coffee began diversifying away from Japan several years ago after the Asian powerhouse left them floundering in the wake of the financial crash. Markets were sought in the United States, Europe and China with some success, but Japan was still top buyer. Now the Japanese are steadily drinking more coffee again and the Jamaica Coffee Exporters' Association (JCEA) says Jamaican farmers should capitalise on the reopening. JCEA president Jason Sharp said on Monday that market recovery to 450,000 boxes in four years' time is predicated on farms now being resuscitated and new seedlings put into the ground. Coffee producers are also juiced by the spike in farm gate prices, which are at \$9,000 to \$10,000 per box, up from \$2,500 per box following the financial crash of December 2008. Those prices are expected to get even better given the rising price for the exported commodity. "Green coffee has gone up quite significantly to between US\$20 and US\$25 per pound," said Sharp. Some 90 per cent of coffee exported are green beans. The prices quoted by Sharp translate to US\$44 to US\$55 per kg. Other sources say the Japanese are paying a low of US\$30 to a high of US\$58 per kg. Different dealers receive different prices per shipment, with prices also linked to quality. On Monday, the Coffee Board hosted new Japanese Ambassador to Jamaica Masanori Nakano, who said during a meeting with the press that coffee has become an essential beverage in many Japanese households. "According to recent data of the International Coffee Organisation, Japan's consumption of coffee between the period 2011-2013 was the fourth largest, following the USA, Brazil and Germany," said Ambassador Nakano. "On a yearly basis, the amount of Japan's consumption was around 400,000 tons in 2011 and 2012, and 460,000 tons in 2013," he said. A Japanese drinks 350 cups of coffee annually, almost one cup of coffee everyday, a consumption level much lower than a European or American, but still the largest quantity of coffee among Asian countries. Nakano said that among the 40 countries from which Japan imported coffee, amounts taken from Jamaica were not significant, but the bean was valued for its taste. "Among those supplying countries, the amount of imports from Jamaica is not so significant in terms of a share in the total amount of imports for Japan. But the Blue Mountain coffee from Jamaica has special significance and status for Japanese which cannot be represented by that share. Blue Mountain coffee is one of the highest quality and sough-after coffee in the world, and often called 'king of coffee' in Japan," the ambassador said. In 2008 when Jamaican production levels were near 500,000 boxes, the Japanese imported around 80 per cent of total volumes. Robinson of the Coffee Board said large estates with export permits were among farmers bringing new land under coffee in a bid to restore industry production levels. Some 100 new acres have been planted, he said, while declining to state which estate is now the top producer. The coffee official also said that small farmers remain the main source of cherry coffee, accounting for 75 per cent of supplies to the local market. Source: Jamaica Gleaner